PERMISSION FOR MEMBERS TO REVISE AND EXTEND THEIR REMARKS IN THE RECORD UNTIL SEPTEMBER 6, 1995, NOTWITHSTANDING ADJOURNMENT

Mr. WISE. Mr. Speaker, before I begin, I ask unanimous consent that, notwithstanding the adjournment of the House until Wednesday, September 6, 1995, all Members of the House shall have the privilege to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and may also include therein such short quotations as may be necessary to explain or complete such extensions of remarks; but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the said adjournment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

FRAUDULENT CORRESPONDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, I want to talk about the telecommunications bill, but I also want to say that communication from my constituents is very important to me because that is one of many ways that one deals with issues and shapes views.

But unfortunately, during this debate, that very communications has been compromised for the first time in the time that I have had the privilege of serving in the House. I hold up, Mr. Speaker, generated communications, letters with names and addresses of constituents ranging from Martinsburg to Harpers Ferry, to Weston, to Charleston, to Ravenswood, to Ripley, all across the State of West Virginia.

Mr. Speaker, I hold up 550 letters. This was the amount of mail coming in in the last few days on the telecommunications bill, all expressing one point of view.

We decided to do a survey to find out whether people and genuinely been behind these letters. What I found, Mr. Speaker, was that in contacting 15 people, we found 8 people of the 15 who were unaware that their names were on one of these letters. We found out, Mr. Speaker, that of the 15, 3 were deceased and he had been dead for 6 to 7 years.

We found out that 4 people were aware. What that means, Mr. Speaker, is about two-thirds of the people listed here may not have actually communicated with my office, but their names were used to represent it.

This is an outrage, Mr. Speaker. I encourage my constituents, as all my colleagues do, Mr. Speaker, to write, to express their opinions. For the first time, the credibility of their written opinions has been put at risk. I hope that something will be done about this.

I encourage constituents to write directly or to call; that way, we know what their opinions are.

Mr. Speakers, I am voting against this telecommunications bill, mainly because of the cable provisions. I fought too hard in this Congress for several years to try and get some regulation of cable rates, and yet, with the passage of this legislation, rural cable rates can be deregulated immediately. What that means is that in West Virginia, 40 percent of the cable could become deregulated upon enactment. That is very significant.

Mr. Speaker, despite what some may say, before regulation in 1992, before we were able to get some control over rates, cable rates had gone up 61 percent, or 3 times the rate of inflation. Following regulation and the ability to monitor some of the rates, the rates went down, in some cases as much as 17 percent, and consumers were saved $3 billion. That is all now put at risk by the passage of this bill.

Mr. Speaker, I did not come here to vote for an immediate rate increase for cable users. I think that that is something that has to be dealt with to clean this bill up, so that by Christmas, our cable users are not seeing a $5 to $7 increase.

I want competition in the cable industry like everyone else, but unfortunately, the cable rates can be raised before there is effective competition, and that does not benefit anyone.

Finally, Mr. Speaker, I think it is important that in this legislation, the V-chip passed. I am holding up a V-chip, Mr. Speaker, very thin, very inexpensive, but what it does is give parents control over the TV sets that their children are watching. All of us, as parents, want to know that we have some input into what our children learn and what they see and what they watch on television.

This V-chip is not censorship. It is parental control, and all it does is say that parents may, with this V-chip in the TV set, will now be able to program out that which is rated as violent. Some say that is censorship; perhaps those in Hollywood think it is censorship.

Mr. Speaker, nothing stops what comes across the television screen, but what can stop the material from being seen by a child whose parent does not want it seen is this V-chip. So we are going to fight hard to make sure this V-chip stays inside the television set.

With this V-chip, Mr. Speaker, you can take a very, very big bite out of the violence that your children see.

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So I think it is important that this stay in this telecommunications legislation. My hope is that eventually there will be a bill that we can support, but this bill today, particularly what it does to rural cable users, is not the bill to be supporting.

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under a previous order of the House, the gentlewoman from California [Mrs. SEASTRAND] is recognized for 5 minutes.

[Mrs. SEASTRAND address the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

[Ms. KAPTUR address the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. CONYERS] is recognized for 5 minutes.

[Mr. CONYERS address the House. His remarks will appear hereafter in the Extensions of Remarks.]

A TRIBUTE TO LORRAINE MILLER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to recognize an exceptional young woman whom I deeply admire, Lorraine C. Miller, who is a Deputy Assistant to the President for Legislative Affairs. Lorraine is leaving that position to become Director of Congressional Relations at the Federal Trade Commission after 14 years of distinguished service here in the House of Representatives.

Mr. Speaker, Lorraine is a proud native of northwestern Texas who, prior to joining the White House staff, served this body in the office of Speaker Tom Foley, in the office of Speaker Jim Wright, and as floor assistant for the gentleman from Georgia [Mr. LEWIS]. During her tenure here with the Office of Legislative Affairs, Lorraine has served the President and her country very well. Working extremely long hours and under stressful time-crunch conditions, Lorraine served us, and she calls us her constituents, in ways many may not be aware of. She has fought tirelessly on issues we care about and made sure our concerns were her priority. Her willingness to go beyond the duty to both inform and assist is well-known to Member of this body.

Lorraine's legislative expertise covered a broad spectrum in urban issues to rural concerns, from the environment to NAFTA and GATT, from regulatory reform to space programs and so on. Her pleasant demeanor and her political savvy in helping to move important legislative issues through the House has become legendary.

Lorraine is going to be missed as he embarks upon her new career, and so to her I would say, ''Lorraine, you have been an invaluable asset to the Democratic Members of Congress, and we are pleased that we have had a person of your esteem, and your grace, and character to work along with us.'' I am sure that you will all join me in saying thanks to Lorraine for a job exceptionally well done.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FILNER] is recognized for 5 minutes.

Mr. FILNER. Mr. Speaker, I was unable to attend the session on Thursday, August 3, 1995. Had I been present, I would have voted as follows: 618—"no"; 619—"yes"; 620—"yes"; 621—"no"; 622—"yes"; 623—"no"; 624—"yes"; 625—"yes"; 626—"no".

VIACOM REVISITED: REPEAL OF THE TAX CERTIFICATION PROGRAM

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. DIXON] is recognized for 60 minutes as the designee of the minority leader.

Mr. DIXON. Mr. Speaker, before we leave for the recess, I wanted to take the opportunity to revisit our actions on February 21. On that day the House passed H.R. 831. The legislation ended a very successful minority tax certificate program and scuttled Viacom Inc.'s plans to sell its cable systems to a minority broadcasting company.

This was done under the guise of paying for a 25 percent health insurance tax deduction for the self-employed. Proponents of the move claimed that $1.3 billion would be saved by ending the minority tax certificate program.

I strongly support legislation to ensure the deductibility of health insurance costs. However, I voted against H.R. 831 because the bill eliminated a program that provided minorities with the opportunity to own broadcast properties.

As a result of the elimination of the minority tax certificate program, Viacom has structured a new deal. Last week it was reported that Viacom has moved to rid itself of its cable systems, this time without selling to a minority entrepreneur. And guess what? There will be no addition of capital gains taxes to the Treasury.

My question is: What have we accomplished by repealing the tax certificate program, other than preventing a minority from owning Viacom's cable systems and reducing opportunities that future minority companies have to own broadcast properties?

For my colleagues who do not remember, let me recap the events. In January Viacom announced that it would sell its cable television systems to a partnership that was led by an African-American communications entrepreneur. That deal was ended by those who opposed a capital gains tax benefit that Viacom would have received for selling to a minority.

Representative BUNNING of the Ways and Means Committee explained the Republican's reason for ending the tax benefit when he said "to pay for the 25 percent deduction, the bill repeals section 1701 of the Tax Code, that allows the FCC to issue tax certificates to companies that sell telecommunications properties to businesses with minority interests."

The tax benefit sought by Viacom was part of the Federal Communication Commission's tax certificate policy program. Created in 1943, it has been used for a variety of reasons. In 1978 the FCC began using the program to promote the sale of radio and television stations to minorities.

This program has been successful. From 1978 to 1995, the program resulted in increasing minority ownership of all broadcast properties from only 0.5 percent to 2.9 percent.

If the January Viacom deal had gone through, the FCC would have issued a tax certificate to Viacom. Viacom would have sent the tax certificate to the Internal Revenue Service and would have deferred paying capital gains taxes on the deal. The new Viacom deal will have essentially the same effect on the Treasury as the original deal—a deferral of tax revenue.

Although Republicans wanted to use the revenue to pay for the health insurance deduction, all the program's repeal has done is hinder minority access to capital and to broadcasting.

During debate on H.R. 831, Ways and Means Committee Chairman BILL ARCHER said that "the cost of the deduction's permanent extension is fully funded by several provisions which will greatly improve our Nation's tax laws." I do not see how ending the minority tax certificate program improves our tax laws when doing so only serves to impede minority access to ownership of broadcasting operations.

The Joint Committee on Taxation calculated that extending the 25 percent health insurance deduction for the self-employed would cost $2.9 billion between 1995 and 2000. The committee also calculated the repeal of the minority tax certificate program at $1.3 billion over five years, nearly half the revenue needed for the health deduction. If other deals are made to avoid paying capital gains taxes, where does that revenue come from?

While you may need an expert tax attorney to grasp the intricacies of the new Viacom deal, the results are easily explained. Viacom achieves its goal of paying no capital gains taxes and eliminates a large portion of its debt. TCI benefits by expanding its portion of the cable television market.

There is no benefit to the Treasury; no payment for the self-employed tax deduction; and no chance to expand minority ownership in broadcasting.

Let me be clear, there is nothing unusual about a company structuring a deal to avoid paying taxes. It happens all the time, and certainly proponents of ending the tax certificate program know that.

I believe that it was disingenuous for the Republicans to use the repeal of the section 1071 program to "pay" for the health insurance deduction. There was no basis for acting on that assumption. Witnesses at hearings on the tax certificate program alerted them to the problems with that assumption.

Raul Alarcon, Jr., the president of the Spanish Broadcasting System had it right when he told the Ways and Means Committee:

> It cannot be assumed that, but for the tax certificate program, each and every sale to a minority owner would have generated tax revenues in the year of the sale. Many owners would not sell their properties at all if they couldn't defer the taxes—or they would search for other tax-favored ways to sell their properties.

Beyond paying for H.R. 831, Republicans also argued that the minority tax certificate program should be repealed because it is unfair. This is certainly not true. Mr. William Kennard, general counsel for the FCC, pointed out that the tax certificate program is not a quota. It is not even a set aside. As he said, "It is a minimally intrusive, market-based incentive which has worked." The program has helped minorities overcome, in Mr. Kennard's words, the "greatest obstacle to ownership—attracting the necessary capital."

During the February 21 debate on the measure, Chairman ARCHER said that tax benefits should not be conditioned on classifications such as race or ethnicity. "Our tax laws should be, as I am, color blind."

The color blindness of the tax code is not the point. The point is that the tax code is used for a variety of public policy goals, such as savings and investment. It was good public policy to use the tax code to enhance minorities' access to capital and to encourage minority entrepreneurship.

In response to the concerns raised about tax certificate abuse, Ways and Means ranking member SAM GIBBONS and Representative JIM MCDERMOTT offered a substitute to H.R. 831 which preserved health insurance deductions for the self-employed and reformed the tax certificate program.

The substitute would have capped the amount of capital gains taxes that could be deferred under the tax certificate program at $50 million and made significant reforms.

The Republicans opposed this alternative. An alternative which address concerns about abuse of the program—without completely dismantling the certificate program.

So what did the bill do? It eliminated a program which helped minority companies gain a foothold in broadcasting. It did not fund the health insurance tax deduction TCI, the Nation's largest cable systems operator, becomes even larger.

With the new Viacom deal in the works, where is the Republican opposition to another huge deferral of capital gains taxes? Where are the calls for